



Approved: November 18, 2008

KHPA Board Meeting
September 16, 2008

MINUTES

Board Members Present via Teleconference:

Rob Kaplan
Ned Holland

Guests:

Senate President Steve Morris
Dr. Mark Thompson, Department of Education
Laura Howard, SRS Assistant Secretary, on behalf of Secretary Don Jordan
Ray Dalton, SRS Deputy Secretary

Joe Tilghman, Board Vice-Chair

- Vice-Chair Tilghman called the meeting to order and introduced Senator Steve Morris.

Senator Steve Morris

Senator Morris outlined a number of upcoming critical issues for the 2009 legislative session which included:

- the current national financial crisis – he noted that, although Kansas appears to be faring better than a number of other states, the state will experience several years of fairly severe budget constraints.
- health care system - this issue will again be in the forefront of next year's session and remains a concern for Kansans due to increasing health care costs and lack of access to care.
- comprehensive transportation program – the Governor's Task Force will continue its work on strengthening the infrastructure of the state's transportation system.
- renewable energy and power sources
- Kansas Medicaid – the ever-increasing costs of Medicaid makes the program difficult to sustain in its current structure; another challenge is how to modify or reduce current Medicaid programs without adversely impacting the population served.
 - Senator Morris noted that one of the reasons why the Authority had been created was to review health care expenditures within Medicaid. He requested the Board to closely review and evaluate the Medicaid program for areas where efficiencies can be improved and expenditures can be reduced.

A brief discussion followed. Dr. Mills remarked that he felt the Medicaid program had been operating fairly conservative as it was, that he thought the area of access is inequitable, and that more education is needed in order for Medicaid beneficiaries to make informed choices about their health care. Board nominee Ken Daniel added that small business owners continue to be challenged to find health care coverage for their employees that

Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

www.khpa.ks.gov

Medicaid and HealthWave:

Phone: 785-296-3981
Fax: 785-296-4813

State Employee Health

Benefits and Plan Purchasing:
Phone: 785-368-6361
Fax: 785-368-7180

State Self Insurance Fund:

Phone: 785-296-2364
Fax: 785-296-6995

is reasonable and not cost-prohibitive. Ned Holland (Committee Chair) stated that strict business principles should be applied to the Medicaid Program and that the Board's Finance and Audit Committee will continue to monitor costs and offer recommendations for cost reductions. He added that, although he will be testifying this week to a congressional committee regarding health care costs, he is not sure how much can be accomplished by the states when there doesn't appear to be any movement on health care reform at the national level. Arneatha Martin and Commissioner Sandy Praeger both remarked that the current health system appears to be more of a "sick care" system rather than promoting health and that the overall focus needs to be changed. Dr. Ray Davis reiterated the need for the Board to partner with the legislators in order to be successful with health reform. Senator Morris noted that the Authority had taken many steps last year to build the foundation for health reform and to prepare a health reform package for the 2008 session, only to see a number of those recommendations not gain the necessary support by legislators. Vice-Chair Joe Tilghman thanked the Senator for his remarks and stated the Board and KHPA staff will continue to work with state leadership in order to advance health reform for Kansas.

Joe Tilghman, Board Vice-Chair

- The draft minutes from the August 19, 2008 Board meeting were reviewed.
ACTION: Motion was made, seconded and carried to approve the draft as written.
- A slate of proposed new Board officers and Committee members was presented by Garen Cox, Chair of the Board Governance and Nominating Committee. The proposed new Board officers are: Joe Tilghman, Board Chair; Susan Page, Board Vice-Chair; Arneatha Martin, Board Secretary. Membership to standing Committees was also presented.
ACTION: A motion was made, seconded and carried to adopt the slate of Board officers and Committee members as presented.

Dr. Marci Nielsen, Executive Director

2009 Health Reform Recommendations:

Summaries of each of the following health reform recommendations for 2009 were reviewed and discussed:

1. Statewide Indoor Smoking Ban
2. Increased Assessment on Tobacco Products
3. Expansion of Medicaid Coverage for Parents (Caretakers) to 100% Federal Poverty Level (FPL)
4. Assist Small Businesses and Young Adults to Access Affordable Health Insurance
5. Implement a Statewide Community Health Record
6. Improve Tobacco Cessation for all Medicaid Recipients
7. (KDHE Health Reform Initiatives): Expanded Cancer Screenings, Increased Funding for Kansas Coordinated School Health Program; Provide Funding for Workplace Wellness Program Grants for Small Businesses

An estimated cost report was reviewed, which provided cost estimates for the health reform recommendations through FY 2013. The report also outlined the estimated revenues by increasing the assessment on cigarettes in increments of \$.50 cents through \$1.00.

Discussion points noted were:

- Prioritization of the health reform recommendations
- Payment of the health reform recommendations by means of an increased tax on tobacco products
- Determining the amount of tax increase for tobacco products – whether or not it is reasonable to propose an increase of \$.60 or \$.70 or higher on the sale of cigarettes, when last year's proposal to increase by \$.50 was not successful
- Ensuring the tobacco tax dollars would be kept in separate health reform fund
- Impact on current provider status if expansion of Medicaid coverage to parents (caretakers) is successful – access to care issue

ACTION: A motion was made, seconded and carried to approve the recommendations outlined above as the health reform package for the 2009 Legislature. The decision was made to propose an increased assessment on cigarettes of \$.75 per pack, estimated to generate \$67 million which will be placed in a separate health reform fund. The Board later agreed that, in terms of prioritization, the Statewide Indoor Smoking Ban would be

the first priority, the Increased Assessment on Tobacco Products would be the second priority, and the third priority would be the areas of access to affordable health care along with the health and wellness recommendations.

Additional Updates:

Dr. Nielsen reported that the Advisory Councils had met during the month of August and briefly reviewed the meeting minutes with the Board. The Councils will meet again in November to provide their recommendations on the Board's approval of the FY 2010 budget recommendations.

Dr. Nielsen added that the statewide Community Dialogue Tours had begun that week with a visit to the Atchison area. The Tours will continue through mid-October, and a summary of the public meetings will be available at the November Board meeting; consumer interviews held at each of the Tours will be available on the KHPA website by the end of November.

Dr. Andy Allison, KHPA Deputy Director and Medicaid/HealthWave Director

- A report on the Kansas Medicaid Transformation initiatives was provided. A timeline was reviewed which outlined the action steps taken beginning with: 1) the Medicaid Program Reviews, 2) whether the resulting recommendations were revenue-dependent, a budget or administrative recommendation, or a future priority, the Board's action on FY 2010 recommendations; 3) Board's action on FY 2010 recommendations; 4) whether legislative action or administrative action was needed; 5) and ending with another cycle of program reviews. An estimate of the fiscal impact of the Transformation Initiatives was reviewed with the Board. This provided a five-year cost estimate of the four Transformation budget initiatives, the five administrative initiatives, the one revenue-dependent initiative, and the one financing initiative.
- A presentation on Provider Tax Issues was made by Kate Kirchgraber and Theresa Sachs of Health Care Management Associates. Included in this overview was: 1) an outline of sources of Medicaid financing; 2) "Normal" Financing and Provider Assessment Approaches; 3) Criteria for implementation of a provider tax program; 4) current provider tax picture in Kansas; 5) potential political and policy issues for nursing home provider tax for Kansas.
 - Dr. Allison advised that this issue would be brought back to the November Board meeting to determine which specific taxes will be included to finance the Transformation initiatives.

Dr. Barb Langner, Policy Director

A brief update on the Medical Home Model, the Small Business Health Insurance Planning Committee, and the E-Health Advisory Council was provided.

- The Medical Home Stakeholders meeting will be held September 29th, at which time the group will recommend key medical home characteristics relevant to Kansas for approval by the KHPA Board.
- The Small Business Health Insurance Planning Committee Stakeholders meeting will be held September 22nd, to hold a broader discussion on potential approaches to improve access to health insurance. Steve Schramm with Schrammraleigh LLC will be attending this meeting.
- The E-Health Advisory Council met on September 10th at which time updates on previous and current Health Information Technology and Exchange activities were provided. The Council will initially meet monthly to develop a prioritized work plan.

Doug Farmer, Director of State Employees Health Benefit Plan

A brief update on the September 5th meeting of the Health Care Commission (HCC) was provided, as well as a report on the preparations for the upcoming State Employee Health Plan open enrollment period, held during the month of October. Lastly, updates regarding the State Self-Insurance Fund/Workers Compensation funding issues have been provided to the Board Finance and Audit Committee, and a report will be made at the November Board meeting.

Scott Brunner, Chief Financial Officer

- The **FY 2009 Expenditure Report (through August 2008)** was reviewed and discussed by the Board members.
- The comparison report of **FY 2008 Expenditures, FY 2009 Proposed/Supplementals, and FY 2010 Proposed/Enhancements** was reviewed.
- The quarterly review reports for State Employee Health Plan and Kansas Medicaid were reviewed. These reports reflect data related to: a) membership by population group, b) claim payments per member/beneficiary per month; and c) total claim payments/expenditures per month.

Garen Cox, Chair of the Governance and Nomination Committee

A review was made of the Board Self-Evaluation Tool completed by 13 voting and ex-officio Board members during recent months. There were several areas which had been ranked lower than others, and discussion was held regarding how to address these areas. Dr. Nielsen noted there were some questions ranked lower that needed additional clarification, and the suggestion was made for the Governance Committee to develop a follow-up survey to obtain more information on these areas, and ask Board members to complete and return back to Committee Chair. Some areas noted were: the Board's review of the KHPA staff salary structure; the Board nomination process; the Board members' attendance policy.

ACTION: The decision was made for Dr. Nielsen to work with staff and provide feedback to the Board on Areas needing improvement. Dr. Nielsen and Committee Chair Cox will determine the need for a follow-up questionnaire. There will be an update on this issue at an upcoming Board meeting.

Ray Dalton, SRS Deputy Secretary

An Executive Summary of the SRS Hospital and Home Initiative was provided to the Board. This Summary outlined the concerns recently expressed regarding increased state mental health hospital admissions, which at times, resulted in chronic over-census. A Hospital and Home Initiative Core Team was developed in spring 2007 to work with interested parties to develop a plan to ensure the effective delivery of mental health services as well as address the growing number of inpatient beds for mental health patients. Three additional work teams were created to research and evaluate: 1) Access to Support and Services; 2) Assessment and Discharge; 3) Crisis Prevention and Intervention. The work of these teams was completed May 2008, and their formal recommendations are available at www.@srsmedicaid.training.org.

Joe Tilghman, Board Vice-Chair

- There were no public comments received during the public comment period.
- The meeting was adjourned.
- The next Board meeting is scheduled for Tuesday, November 18, 2008, beginning at 8:30 am at the Capitol Plaza, Emerald III Room, 17th and Topeka Blvd., Topeka KS.
- There will be no KHPA Board meeting during October 2008
- Dr. Nielsen announced that Peter Hancock would be joining KHPA as Director of Public Relations on October 13th. She also advised that Valerie Swartz would be the new Manager of Board Communications and would be transitioning to her new role over the upcoming weeks.